



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 18

**Assembly
Amendments 1 and 2**

Memo published: April 21, 2009

Contact: Mary Matthias, Senior Staff Attorney (266-0932)

Assembly Bill 18 makes several changes to the law that allows a person who owns an income-producing historic building that is eligible for a federal tax credit to also claim a state income tax or franchise tax credit that is equal to 5% of certain costs to rehabilitate the historic building.

Assembly Amendment 1 clarifies how the state tax credit for income-producing historic buildings may be allocated among members of a partnership or limited liability company (LLC). Current law specifies that the only method by which the credits accruing to a partnership or LLC may be allocated is in proportion to each member or partner's ownership interest in the business entity. The bill provides instead that the credits must be allocated as provided in a written agreement between the members or partners. Assembly Amendment 1 provides that a partnership or LLC may choose to use either the allocation method existing under current law or the allocation method established in the bill.

Assembly Amendment 1 also specifies that a partnership or LLC that placed property in service between June 29, 2008 and January 1, 2009 may allocate the credits attributable to the property for a taxable year that ends after June 29, 2008 and before January 10, 2010.

Assembly Amendment 2 corrects a drafting error in the bill.

Legislative History

On March 31, 2009, the Assembly Committee on Jobs, the Economy and Small Business recommended adoption of Assembly Amendments 1 and 2 on votes of Ayes, 12; Noes, 0. The committee then voted to recommend passage of the bill, as amended, on a vote of Ayes, 12; Noes, 0.

MM:ksm